

*Periodic Report on the National Emergency
with respect to the Western Balkans*

I hereby report to the Congress on developments over the course of the past six months concerning the national emergency with respect to the Western Balkans that was declared in Executive Order 13219 of June 26, 2001 (the "Order"), in response to the threats to peace and international stabilization efforts in the Western Balkans resulting from the actions of persons engaged in, or assisting, sponsoring, or supporting (i) extremist violence in the former Yugoslav Republic of Macedonia and elsewhere in the Western Balkans region, or (ii) acts obstructing implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 of June 10, 1999, in Kosovo. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and Executive Order 13313 of July 31, 2003.

1. There have been no amendments to the Western Balkans Stabilization Regulations (the "Regulations"), 31 C.F.R. Part 588.

2. On July 9, 2003, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued a general license authorizing U.S. persons to provide legal services relating to the representation of persons whose property or interests in property are blocked under the Order, as amended by Executive Order 13304 of May 28, 2003, in matters pending before the International Criminal Tribunal for the former Yugoslavia. The general license also applied to a U.S. person's receipt of payment for such services if such payments were made by the Tribunal.

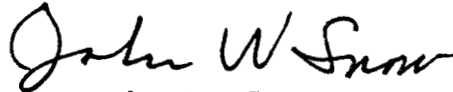
3. As of December 5, 2003, OFAC had issued two specific licenses during the current reporting period authorizing the release of blocked funds after it was determined that no blocked entity had an interest in the funds and one license authorizing the payment of legal fees.

4. During the current reporting period, there have been no active enforcement investigations and OFAC has neither assessed nor collected any civil monetary penalty for a violation of the Regulations. However, as of December 5, 2003, OFAC had blocked 12 transactions totaling more than \$295,000 involving entities designated pursuant to the Order, as amended by Executive Order 13304. OFAC continues to administer the Western Balkans sanctions and to disseminate details of this program, including changes resulting from the issuance of Executive Order 13304, to the financial, securities, and international trade communities by both electronic and conventional media.

5. The expenses incurred by the Federal Government in the six-month period from June 27 to December 26, 2003, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to the Western Balkans are estimated at more than \$110,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control and the Office of the General Counsel) and the Department of State.

6. The situation in the Western Balkans continues to present an extraordinary and unusual threat to the national

security and foreign policy of the United States. I will continue to report periodically to the Congress on significant developments as required by law.



John W. Snow

Department of the Treasury

December 23, 2003